

HOUSE BILL No. 1814

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-21.5-2-4; IC 6-1.1; IC 6-1.5; IC 8-16-3.5-8; IC 16-22-5-11; IC 20-14-13-9; IC 21-2-15-8; IC 36-6-6-14.5; IC 36-8; IC 36-9-16-4.

Synopsis: Property tax matters. Provides that the administrative orders and procedures act does not apply to the department of local government finance (DLGF). Removes the DLGF and the board of tax review from the review process for economic revitalization area deductions and enterprise zone inventory credits. Requires the county assessor to conduct equalization among townships in the year of a general reassessment. Provides that certain DLGF final determinations are appealable to the tax court. Requires a township trustee to estimate and publish poor relief information. Permits the DLGF to extend certain deadlines for tax increment replacement purposes. Provides that the procedure for correction of assessment errors does not apply to a utility. Eliminates the requirements for: (1) the DLGF to certify fixed property utility assessments to the counties; (2) a political subdivision to certify to the county auditor a transfer of money from one major budget classification to another within a department; (3) the DLGF to review per diem for certain assessor training; and (4) the division of data analysis to review federal income tax returns. Adjusts a requirement for the county auditor to certify certain information. Limits the time between initiation of certain financings and DLGF approval. Validates certain certifications made by a county auditor after a prescribed date. Makes technical changes.

Effective: July 1, 2003.

Crawford

January 23, 2003, read first time and referred to Committee on Ways and Means.



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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1814

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-21.5-2-4, AS AMENDED BY P.L.198-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) This article does not apply to any of the following agencies:

- (1) The governor.
- (2) The state board of accounts.
- (3) The state educational institutions (as defined by IC 20-12-0.5-1).
- (4) The department of workforce development.
- (5) The unemployment insurance review board of the department of workforce development.
- (6) The worker's compensation board **of Indiana**.
- (7) The military officers or boards.
- (8) The Indiana utility regulatory commission.
- (9) The department of state revenue (excluding an agency action related to the licensure of private employment agencies).
- (10) The department of local government finance.**

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(b) This article does not apply to action related to railroad rate and tariff regulation by the Indiana department of transportation.

SECTION 2. IC 6-1.1-8-27, AS AMENDED BY P.L.90-2002, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) As soon as the department of local government finance determines its final assessments of distributable property, the department shall certify to the county assessor and the county auditor of each county

(+) the distributable property assessed values which the department determines are distributable to the taxing districts of the county. and

(2) the assessed values, according to the department's records, of fixed property located in the taxing districts of the county.

In addition, if a public utility company has appealed the department of local government finance's final assessment of the company's distributable property, the department shall notify the county auditor of the appeal.

(b) The county assessor shall review the department of local government finance's certification to determine if any of a public utility company's property which has a definite situs in the county has been omitted. The county auditor shall enter for taxation the assessed valuation of a public utility company's distributable property which the department distributes to a taxing district of the county.

SECTION 3. IC 6-1.1-8-30, AS AMENDED BY P.L.178-2002, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 30. If a public utility company files its objections to the department of local government finance's tentative assessment of the company's distributable property in the manner prescribed in section 28 of this chapter, the company may initiate an appeal of the department's final assessment of that property by filing a petition with the Indiana board not more than forty-five (45) days after the department gives the public utility notice of the final determination. The public utility may petition for judicial review of the Indiana board's final determination to the tax court under ~~IC 4-21.5-5~~ **IC 6-1.1-15**. However, the company must:

(1) file a verified petition for judicial review; and

(2) mail to the county auditor of each county in which the public utility company's distributable property is located:

(A) a notice that the complaint was filed; and

(B) instructions for obtaining a copy of the complaint;

within forty-five (45) days after the date of the notice of the Indiana board's final determination.

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SECTION 4. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.90-2002, SECTION 120, AND AS AMENDED BY P.L.178-2002, SECTION 17, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.5. (a) For purposes of this section, "personal property" means personal property other than inventory (as defined in IC 6-1.1-3-11(a)).

(b) An applicant must provide a statement of benefits to the designating body. The applicant must provide the completed statement of benefits form to the designating body before the hearing specified in section 2.5(c) of this chapter or before the installation of the new manufacturing equipment or new research and development equipment, or both, for which the person desires to claim a deduction under this chapter. The *state board of tax commissioners department of local government finance* shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment or new research and development equipment, or both, that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment or new research and development equipment, or both, and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

With the approval of the *state board of tax commissioners, department of local government finance* The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

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(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

(1) Whether the estimate of the cost of the new manufacturing equipment or new research and development equipment, or both, is reasonable for equipment of that type.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment;

whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the installation of the new manufacturing equipment or new research and development equipment, or both.

(3) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, whether the estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products can be reasonably expected to result from the installation of the new manufacturing equipment.

(5) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment or new research and development equipment, or both.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) *Except as provided in subsection (f), an owner of new manufacturing equipment whose statement of benefits is approved before May 1, 1991, is entitled to a deduction from the assessed value*

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~~of that equipment for a period of five (5) years. Except as provided in subsections (f) and (i); subsection (h),~~ an owner of new manufacturing equipment or new research and development equipment, or both, whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection ~~(h)~~ (g). Except as provided in ~~subsections~~ subsection (f) ~~and (g)~~, and in section 2(i)(3) of this chapter, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment or new research and development equipment, or both, in the year ~~that the equipment is installed; of deduction under the table set forth in subsection (e);~~ multiplied by

(2) the percentage prescribed in the table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%
4th	25%
5th and thereafter	0%

(5) For deductions allowed over a five (5) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%



1	2nd	80%
2	3rd	60%
3	4th	40%
4	5th	20%
5	6th and thereafter	0%
6	(6) For deductions allowed over a six (6) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	85%
10	3rd	66%
11	4th	50%
12	5th	34%
13	6th	25%
14	7th and thereafter	0%
15	(7) For deductions allowed over a seven (7) year period:	
16	YEAR OF DEDUCTION	PERCENTAGE
17	1st	100%
18	2nd	85%
19	3rd	71%
20	4th	57%
21	5th	43%
22	6th	29%
23	7th	14%
24	8th and thereafter	0%
25	(8) For deductions allowed over an eight (8) year period:	
26	YEAR OF DEDUCTION	PERCENTAGE
27	1st	100%
28	2nd	88%
29	3rd	75%
30	4th	63%
31	5th	50%
32	6th	38%
33	7th	25%
34	8th	13%
35	9th and thereafter	0%
36	(9) For deductions allowed over a nine (9) year period:	
37	YEAR OF DEDUCTION	PERCENTAGE
38	1st	100%
39	2nd	88%
40	3rd	77%
41	4th	66%
42	5th	55%



1	6th	44%
2	7th	33%
3	8th	22%
4	9th	11%
5	10th and thereafter	0%
6	(10) For deductions allowed over a ten (10) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	90%
10	3rd	80%
11	4th	70%
12	5th	60%
13	6th	50%
14	7th	40%
15	8th	30%
16	9th	20%
17	10th	10%
18	11th and thereafter	0%

(f) *With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:*

(1) *the deduction under this section as in effect on March 1, 2001; and*

(2) *the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.*

Notwithstanding subsections (d) and (e), a deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment or new research and development equipment, or both, to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located (excluding personal property that is assessed as construction in process) to be less than the assessed value of all of the personal property of the owner in that taxing district (excluding personal property that is assessed as construction in process) in the immediately preceding year.

(g) *If a deduction is not fully allowed under subsection (f) in the first year the deduction is claimed, then the percentages specified in subsection (d) or (e) apply in the subsequent years to the amount of*



~~deduction that was allowed in the first year.~~

~~(f)~~ (g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the ~~state board of tax commissioners. department of local government finance.~~ A certified copy of the resolution shall be sent to the county auditor. ~~and the state board of tax commissioners. department of local government finance.~~

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

~~(f)~~ (h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

SECTION 5. IC 6-1.1-12.1-4.6, AS AMENDED BY P.L.90-2002, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4.6. (a) A designating body may adopt a resolution to authorize a property owner to relocate new manufacturing equipment for which a deduction is being granted under this chapter. The resolution may provide that the new manufacturing equipment may only be relocated to:

(1) a new location within the same economic revitalization area; or

(2) a new location within a different economic revitalization area if the area is within the jurisdiction of the designating body.



(b) Before adopting a resolution under this section, the designating body shall conduct a public hearing on the proposed resolution. Notice of the public hearing shall be published in accordance with IC 5-3-1. In addition, the designating body shall notify each taxing unit within the original and the new economic revitalization area of the proposed resolution, including the date and time of the public hearing. If a resolution is adopted under this section, the designating body shall deliver a copy of the adopted resolution to the county auditor ~~and the department of local government finance~~ within thirty (30) days after its adoption.

(c) New manufacturing equipment relocated under this section remains eligible for the assessed value deduction under this chapter. The same deduction percentage is to be applied as if the new manufacturing equipment had not been relocated.

SECTION 6. IC 6-1.1-12.1-5.4, AS ADDED BY P.L.1-2002, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.4. (a) A person that desires to obtain the deduction provided by section 4.5 of this chapter must file a certified deduction application on forms prescribed by the department of local government finance with

(1) the auditor of the county in which the new manufacturing equipment or new research and development equipment, or both, is located. ~~and~~

(2) ~~the department of local government finance.~~

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and May 15 of that year. A person that obtains a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment or new research and development equipment, or both, is installed must file the application between March 1 and the extended due date for that year.

(b) The deduction application required by this section must contain the following information:

(1) The name of the owner of the new manufacturing equipment or new research and development equipment, or both.

(2) A description of the new manufacturing equipment or new research and development equipment, or both.

(3) Proof of the date the new manufacturing equipment or new research and development equipment, or both, was installed.

(4) The amount of the deduction claimed for the first year of the deduction.



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(c) This subsection applies to a deduction application with respect to new manufacturing equipment or new research and development equipment, or both, for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body, and the designating body shall adopt a resolution under section ~~4.5(h)(2)~~ **4.5(g)(2)** of this chapter.

(d) A deduction application must be filed under this section in the year in which the new manufacturing equipment or new research and development equipment, or both, is installed and in each of the immediately succeeding years the deduction is allowed.

(e) On verification of the correctness of a deduction application by the assessor of the township in which the property is located, the department of local government finance county auditor shall:

(1) review and verify the correctness of each deduction application; and shall notify the county auditor of the county in which the property is located that the deduction application is approved or denied

(2) approve, deny, or that alter the amount of the deduction. is altered:

Upon ~~notification~~ of approval of the deduction application or of alteration of the amount of the deduction, the county auditor shall make the deduction. The county auditor shall notify the county property tax assessment board of appeals of all deductions approved under this section.

(f) If the ownership of new manufacturing equipment or new research and development equipment, or both, changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) files the deduction applications required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

~~(h) If a person desires to initiate an appeal of the department of local government finance's final determination, the person must file a petition with the Indiana board not more than forty-five (45) days after the department of local government finance gives the person notice of~~

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the final determination.

(i) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination, the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 7. IC 6-1.1-12.1-5.8, AS AMENDED BY P.L.90-2002, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.8. In lieu of providing the statement of benefits required by section 3 or 4.5 of this chapter and the additional information required by section 5.1 or 5.6 of this chapter, the designating body may, by resolution, waive the statement of benefits if the designating body finds that the purposes of this chapter are served by allowing the deduction and the property owner has, during the thirty-six (36) months preceding the first assessment date to which the waiver would apply, installed new manufacturing equipment or new research and development equipment, or both, or developed or rehabilitated property at a cost of at least ten million dollars (\$10,000,000) as determined by the ~~department of local government finance~~ **assessor of the township in which the property is located**.

SECTION 8. IC 6-1.1-12.1-5.9, AS AMENDED BY P.L.90-2002, SECTION 124, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5.9. (a) This section does not apply to:

- (1) a deduction under section 3 of this chapter for property located in a residentially distressed area; or
- (2) any other deduction under section 3 or 4.5 of this chapter for which a statement of benefits was approved before July 1, 1991.

(b) ~~Within~~ **Not later than** forty-five (45) days after receipt of the information described in section 5.1 or 5.6 of this chapter, the designating body may determine whether the property owner has substantially complied with the statement of benefits approved under section 3 or 4.5 of this chapter. If the designating body determines that the property owner has not substantially complied with the statement of benefits and that the failure to substantially comply was not caused by factors beyond the control of the property owner (such as declines in demand for the property owner's products or services), the designating body shall mail a written notice to the property owner. The written notice must include the following provisions:

- (1) An explanation of the reasons for the designating body's determination.
- (2) The date, time, and place of a hearing to be conducted by the



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designating body for the purpose of further considering the property owner's compliance with the statement of benefits. The date of the hearing may not be more than thirty (30) days after the date on which the notice is mailed.

~~If a notice mailed to a property owner concerns a statement of benefits approved under section 4.5 of this chapter, the designating body shall also mail a copy of the notice to the department of local government finance.~~

(c) On the date specified in the notice described in subsection (b)(2), the designating body shall conduct a hearing for the purpose of further considering the property owner's compliance with the statement of benefits. Based on the information presented at the hearing by the property owner and other interested parties, the designating body shall again determine whether the property owner has made reasonable efforts to substantially comply with the statement of benefits and whether any failure to substantially comply was caused by factors beyond the control of the property owner. If the designating body determines that the property owner has not made reasonable efforts to comply with the statement of benefits, the designating body shall adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

(d) If the designating body adopts a resolution terminating a deduction under subsection (c), the designating body shall immediately mail a certified copy of the resolution to:

(1) the property owner; **and**

(2) the county auditor. **and**

~~(3) the department of local government finance if the deduction was granted under section 4.5 of this chapter.~~

The county auditor shall remove the deduction from the tax duplicate and shall notify the county treasurer of the termination of the deduction. If the designating body's resolution is adopted after the county treasurer has mailed the statement required by IC 6-1.1-22-8, the county treasurer shall immediately mail the property owner a revised statement that reflects the termination of the deduction.

(e) A property owner whose deduction is terminated by the designating body under this section may appeal the designating body's decision by filing a complaint in the office of the clerk of the circuit or superior court together with a bond conditioned to pay the costs of the appeal if the appeal is determined against the property owner. An

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1 appeal under this subsection shall be promptly heard by the court
 2 without a jury and determined within thirty (30) days after the time of
 3 the filing of the appeal. The court shall hear evidence on the appeal and
 4 may confirm the action of the designating body or sustain the appeal.
 5 The judgment of the court is final and conclusive unless an appeal is
 6 taken as in other civil actions.

7 (f) If an appeal under subsection (e) is pending, the taxes resulting
 8 from the termination of the deduction are not due until after the appeal
 9 is finally adjudicated and the termination of the deduction is finally
 10 determined.

11 SECTION 9. IC 6-1.1-13-6 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. A county assessor
 13 shall inquire into the assessment of the classes of tangible property in
 14 the various townships of the county ~~before July~~ **after March 1** in the
 15 year in which the general reassessment ~~is to commence.~~ **becomes**
 16 **effective.** The county assessor shall make any changes, whether
 17 increases or decreases, in the assessed values which are necessary in
 18 order to equalize these values in and between the various townships of
 19 the county. In addition, the county assessor shall determine the percent
 20 to be added to or deducted from the assessed values in order to make
 21 a just, equitable, and uniform equalization of assessments in and
 22 between the townships of the county.

23 SECTION 10. IC 6-1.1-14-8, AS AMENDED BY P.L.90-2002,
 24 SECTION 134, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) If a petition for review of an
 26 equalization order is filed with a county auditor under section 7 of this
 27 chapter, the county auditor shall immediately mail a certified copy of
 28 the petition and any information relevant to the petition to the
 29 department of local government finance. Within a reasonable period of
 30 time, the department of local government finance shall fix a date for a
 31 hearing on the petition. The hearing shall be held in the county to
 32 which the equalization order has been directed. At least three (3) days
 33 before the date fixed for the hearing, the department of local
 34 government finance shall give notice of the hearing by mail to the
 35 township and county assessors whose assessments are affected by the
 36 order and to the first ten (10) taxpayers whose names appear on the
 37 petition for review at the addresses listed by those taxpayers on the
 38 petition. In addition, the department of local government finance shall
 39 give the notice, if any, required under section 9(a) of this chapter.

40 (b) After the hearing required by subsection (a), the department of
 41 local government finance may affirm, modify, or set aside its
 42 equalization order. The department shall certify its action with respect

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1 to the order to the county auditor. The county auditor shall immediately
 2 make any changes in the assessed values required by the action of the
 3 department of local government finance.

4 **(c) A person whose name appears on the petition for review may**
 5 **petition for judicial review of the final determination of the**
 6 **department of local government finance under subsection (b). The**
 7 **petition must be filed in the tax court not more than forty-five (45)**
 8 **days after the department certifies its action under subsection (b).**

9 SECTION 11. IC 6-1.1-14-11, AS AMENDED BY P.L.90-2002,
 10 SECTION 137, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2003]: Sec. 11. The department of local
 12 government finance shall give notice by mail to a taxpayer whose
 13 assessment is to be reviewed under section 10 of this chapter. The
 14 notice shall state the time, place, and object of a hearing on the
 15 assessment. The time fixed for the hearing must be at least ten (10)
 16 days after the day the notice is mailed. After the hearing, the
 17 department of local government finance shall assess the property in
 18 question and mail a certified notice of its final determination to the
 19 appropriate county auditor. In addition, the department of local
 20 government finance shall notify the taxpayer by mail of its final
 21 determination. An assessment or reassessment may not be made under
 22 this section unless notice of the final determination of the department
 23 of local government finance is given to the taxpayer within the same
 24 time period prescribed, in IC 6-1.1-9-3 or IC 6-1.1-9-4, for giving an
 25 assessment adjustment notice. **A taxpayer may initiate an appeal of**
 26 **the department's final determination by filing a petition with the**
 27 **Indiana board not more than forty-five (45) days after the**
 28 **department gives the taxpayer notice of the final determination.**

29 SECTION 12. IC 6-1.1-15-3, AS AMENDED BY P.L.90-2002,
 30 SECTION 138, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) A taxpayer may obtain a
 32 review by the Indiana board of a county property tax assessment board
 33 of appeals action with respect to the assessment of that taxpayer's
 34 tangible property if the county property tax assessment board of
 35 appeals' action requires the giving of notice to the taxpayer. A township
 36 assessor, county assessor, member of a county property tax assessment
 37 board of appeals, or county property tax assessment board of appeals
 38 that made the original determination under appeal under this section ~~or~~
 39 ~~a county auditor who made the original enterprise zone inventory credit~~
 40 ~~determination under appeal under IC 6-1.1-20-8,~~ is a party to the
 41 review under this section to defend the determination. At the time that
 42 notice is given to the taxpayer, the taxpayer shall also be informed in

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1 writing of:

- 2 (1) the taxpayer's opportunity for review under this section; and
 3 (2) the procedures the taxpayer must follow in order to obtain
 4 review under this section.

5 (b) A township assessor or county assessor may obtain a review by
 6 the Indiana board of any assessment which the township assessor or the
 7 county assessor has made, upon which the township assessor or the
 8 county assessor has passed, or which has been made over the township
 9 assessor's or the county assessor's protest.

10 (c) In order to obtain a review by the Indiana board under this
 11 section, the party must file a petition for review with the appropriate
 12 county assessor within thirty (30) days after the notice of the county
 13 property tax assessment board of appeals action is given to the
 14 taxpayer.

15 (d) The Indiana board shall prescribe the form of the petition for
 16 review of an assessment determination by the county property tax
 17 assessment board of appeals. The Indiana board shall issue instructions
 18 for completion of the form. The form and the instructions must be
 19 clear, simple, and understandable to the average individual. An appeal
 20 of such a determination must be made on the form prescribed by the
 21 Indiana board. The form must require the petitioner to specify the
 22 following:

- 23 (1) The items listed in section 1(e)(1) and 1(e)(2) of this chapter.
 24 (2) The reasons why the petitioner believes that the assessment
 25 determination by the county property tax assessment board of
 26 appeals is erroneous.

27 (e) The county assessor shall transmit the petition for review to the
 28 Indiana board within ten (10) days after it is filed.

29 (f) If a township assessor or a member of the county property tax
 30 assessment board of appeals files a petition for review under this
 31 section concerning the assessment of a taxpayer's property, the county
 32 assessor must send a copy of the petition to the taxpayer.

33 SECTION 13. IC 6-1.1-15-5, AS AMENDED BY P.L.178-2002,
 34 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2003]: Sec. 5. (a) Within fifteen (15) days after the Indiana
 36 board gives notice of its final determination under section 4 of this
 37 chapter to the party or the maximum allowable time for the issuance of
 38 a final determination by the Indiana board under section 4 of this
 39 chapter expires, a party to the proceeding may request a rehearing
 40 before the Indiana board. The Indiana board may conduct a rehearing
 41 and affirm or modify its final determination, giving the same notices
 42 after the rehearing as are required by section 4 of this chapter. The

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Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing within fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination within ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

Failure of the Indiana board to make a final determination within the time allowed under subdivision (2) shall be treated as a final determination affirming the original decision of the Indiana board.

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court. ~~under IC 4-21.5-5.~~ Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the reassessment fund ~~under IC 6-1.1-4-27.~~ **IC 6-1.1-4-27.5.** In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation of a rule of the department is at issue in the action. A

~~(1) township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section or~~

~~(2) county auditor who made the original enterprise zone inventory credit determination under appeal under IC 6-1.1-20.8;~~
is a party to the review under this section to defend the determination.

(c) To initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) within:

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(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(f) or 4(g) of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor or elected township assessor.

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

SECTION 14. IC 6-1.1-15-8, AS AMENDED BY P.L.178-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) If a final determination by the Indiana board regarding the assessment of any tangible property is vacated, set aside, or adjudged null and void under the decision of the tax court, ~~under IC 4-21.5-5;~~ the matter of the assessment of the property shall be remanded to the Indiana board with instructions to the Indiana board to refer the matter to the:

(1) department of local government finance with respect to an appeal of a determination made by the department; or

(2) county property tax assessment board of appeals with respect to an appeal of a determination made by the county board;

to make another assessment. Upon remand, the Indiana board may take action only on those issues specified in the decision of the tax court.

(b) The department of local government finance or the county property tax assessment board of appeals shall take action on a case referred to it by the Indiana board under subsection (a) not later than ninety (90) days after the date the referral is made unless an appeal of the final determination of the Indiana board is initiated under ~~IC 4-21.5-5-16.~~ **section 5 of this chapter.** The department of local government finance or the county property tax assessment board of

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1 appeals may petition the Indiana board at any time for an extension of
 2 the ninety (90) day period. An extension shall be granted upon a
 3 showing of reasonable cause.

4 (c) The taxpayer in a case remanded under subsection (a) may
 5 petition the tax court for an order requiring the department of local
 6 government finance or the county property tax assessment board of
 7 appeals to show cause why action has not been taken pursuant to the
 8 Indiana board's referral under subsection (a) if:

9 (1) at least ninety (90) days have elapsed since the referral was
 10 made;

11 (2) the department of local government finance or the county
 12 property tax assessment board of appeals has not taken action on
 13 the issues specified in the tax court's decision; and

14 (3) an appeal of the tax court's decision has not been filed.

15 (d) If a case remanded under subsection (a) is appealed under
 16 ~~IC 4-21.5-5-16~~, **section 5 of this chapter**, the ninety (90) day period
 17 provided in subsection (b) is tolled until the appeal is concluded.

18 SECTION 15. IC 6-1.1-15-10, AS AMENDED BY P.L.1-2002,
 19 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2003]: Sec. 10. (a) If a petition for review to any board or a
 21 proceeding for judicial review in the tax court regarding an assessment
 22 or increase in assessment is pending, the taxes resulting from the
 23 assessment or increase in assessment are, notwithstanding the
 24 provisions of IC 6-1.1-22-9, not due until after the petition for review,
 25 or the proceeding for judicial review, is finally adjudicated and the
 26 assessment or increase in assessment is finally determined. However,
 27 even though a petition for review or a proceeding for judicial review is
 28 pending, the taxpayer shall pay taxes on the tangible property when the
 29 property tax installments come due, unless the collection of the taxes
 30 is stayed ~~under IC 4-21.5-5-9~~ pending a final determination in the
 31 proceeding for judicial review. The amount of taxes which the taxpayer
 32 is required to pay, pending the final determination of the assessment or
 33 increase in assessment, shall be based on:

34 (1) the assessed value reported by the taxpayer on the taxpayer's
 35 personal property return if a personal property assessment, or an
 36 increase in such an assessment, is involved; or

37 (2) an amount based on the immediately preceding year's
 38 assessment of real property if an assessment, or increase in
 39 assessment, of real property is involved.

40 (b) If the petition for review or the proceeding for judicial review is
 41 not finally determined by the last installment date for the taxes, the
 42 taxpayer, upon showing of cause by a taxing official or at the tax court's

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discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property:

(1) on which a taxpayer is not required to pay taxes under subsection (a); or

(2) that is described in IC 6-1.1-17-0.5(b).

When establishing rates and calculating state school support, the department of local government finance shall recognize the fact that a taxpayer is not required to pay taxes under certain circumstances.

SECTION 16. IC 6-1.1-15-12, AS AMENDED BY P.L.90-2002, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 12. (a) Subject to the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

(1) The description of the real property was in error.

(2) The assessment was against the wrong person.

(3) Taxes on the same property were charged more than one (1) time in the same year.

(4) There was a mathematical error in computing the taxes or penalties on the taxes.

(5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.

(6) The taxes, as a matter of law, were illegal.

(7) There was a mathematical error in computing an assessment.

(8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall

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correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor.
- (2) The county auditor.
- (3) The county assessor.

If two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county property tax assessment board of appeals for determination. The county property tax assessment board of appeals shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county property tax assessment board of appeals to the Indiana board for a final administrative determination. An appeal under this section shall be conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor.

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28.

SECTION 17. IC 6-1.1-17-3, AS AMENDED BY P.L.178-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. The political

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subdivision shall give notice by publication to taxpayers of:

- (1) the estimated budget;
- (2) the estimated maximum permissible levy;
- (3) the current and proposed tax levies of each fund; and
- (4) the amounts of excessive levy appeals to be requested.

In the notice, the political subdivision shall also state the time and place at which a public hearing will be held on these items. The notice shall be published twice in accordance with IC 5-3-1 with the first publication at least ten (10) days before the date fixed for the public hearing.

(b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(c) The trustee of each township in the county shall:

- (1) estimate the amount necessary to meet the cost of poor relief in the township for the ensuing calendar year; and**
- (2) publish with the township budget a tax rate sufficient to meet the estimated cost of poor relief.**

The taxes collected as a result of the tax rate referred to in subdivision (2) are credited to the township poor relief fund.

SECTION 18. IC 6-1.1-17-16, AS AMENDED BY P.L.90-2002, SECTION 156, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) Subject to the limitations and requirements prescribed in this section, the department of local government finance may revise, reduce, or increase a political subdivision's budget, tax rate, or tax levy which the department reviews under section 8 or 10 of this chapter.

(b) Subject to the limitations and requirements prescribed in this section, the department of local government finance may review, revise, reduce, or increase the budget, tax rate, or tax levy of any of the political subdivisions whose tax rates compose the aggregate tax rate within a political subdivision whose budget, tax rate, or tax levy is the subject of an appeal initiated under this chapter.

(c) Except as provided in subsection (i), before the department of local government finance reviews, revises, reduces, or increases a political subdivision's budget, tax rate, or tax levy under this section, the department must hold a public hearing on the budget, tax rate, and tax levy. The department of local government finance shall hold the hearing in the county in which the political subdivision is located. The

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department of local government finance may consider the budgets, tax rates, and tax levies of several political subdivisions at the same public hearing. At least five (5) days before the date fixed for a public hearing, the department of local government finance shall give notice of the time and place of the hearing and of the budgets, levies, and tax rates to be considered at the hearing. The department of local government finance shall publish the notice in two (2) newspapers of general circulation published in the county. However, if only one (1) newspaper of general circulation is published in the county, the department of local government finance shall publish the notice in that newspaper.

(d) Except as provided in subsection ~~(h)~~, (i), IC 6-1.1-19, or IC 6-1.1-18.5, the department of local government finance may not increase a political subdivision's budget, tax rate, or tax levy to an amount which exceeds the amount originally fixed by the political subdivision. The department of local government finance shall give the political subdivision written notification specifying any revision, reduction, or increase the department proposes in a political subdivision's tax levy or tax rate. The political subdivision has one (1) week from the date the political subdivision receives the notice to provide a written response to the department of local government finance's Indianapolis office specifying how to make the required reductions in the amount budgeted for each office or department. The department of local government finance shall make reductions as specified in the political subdivision's response if the response is provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) ~~The action of the department of local government finance on a budget, tax rate, or tax levy is final.~~ The department of local government finance shall certify its action to:

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(1) the county auditor; and

(2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

(1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.

(2) If the department acts under an appeal initiated by taxpayers under section 13 of this chapter, a taxpayer who signed the petition under that section.

(3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

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SECTION 19. IC 6-1.1-18-6, AS AMENDED BY P.L.90-2002, SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- (1) they determine that the transfer is necessary;
- (2) the transfer does not require the expenditure of more money than the total amount set out in the budget as finally determined under this article; **and**
- (3) the transfer is made at a regular public meeting and by proper ordinance or resolution. ~~and~~
- ~~(4) the transfer is certified to the county auditor.~~

(b) A transfer may be made under this section without notice and without the approval of the department of local government finance.

SECTION 20. IC 6-1.1-18.5-8, AS AMENDED BY P.L.90-2002, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit if the civil taxing unit is committed to levy the taxes to pay or fund either:

- (1) bonded indebtedness; or
- (2) lease rentals under a lease with an original term of at least five (5) years.

(b) ~~Before a civil taxing unit may incur bonded indebtedness or enter into a lease with an original term of at least five (5) years, the A~~ civil taxing unit must request and obtain approval from the department of local government finance to incur ~~the~~ bonded indebtedness or execute ~~the a~~ lease **with an original term of at least five (5) years:**

- (1) not later than twenty-four (24) months after the first date of publication under IC 6-1.1-20-3.1(2) of notice of a preliminary determination with respect to the bonded indebtedness or lease; and**

- (2) before the civil taxing unit may:**

(A) incur the bonded indebtedness; or

(B) enter into the lease.

The department of local government finance may seek recommendations from the local government tax control board established by section 11 of this chapter when determining whether to authorize incurring the bonded indebtedness or the execution of the lease.

(c) The department of local government finance shall render a decision within three (3) months after the date it receives a request for



1 approval under subsection (b). However, the department of local
 2 government finance may extend this three (3) month period by an
 3 additional three (3) months if, at least ten (10) days before the end of
 4 the original three (3) month period, the department sends notice of the
 5 extension to the executive officer of the civil taxing unit.

6 (d) A civil taxing unit does not need approval under subsection (b)
 7 to obtain temporary loans made in anticipation of and to be paid from
 8 current revenues of the civil taxing unit actually levied and in the
 9 course of collection for the fiscal year in which the loans are made.

10 (e) For purposes of computing the ad valorem property tax levy
 11 limits imposed on a civil taxing unit by section 3 of this chapter, the
 12 civil taxing unit's ad valorem property tax levy for a calendar year does
 13 not include that part of its levy that is committed to fund or pay bond
 14 indebtedness or lease rentals with an original term of five (5) years in
 15 subsection (a).

16 SECTION 21. IC 6-1.1-18.5-13, AS AMENDED BY
 17 P.L.192-2002(ss), SECTION 37, IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. With respect to an
 19 appeal filed under section 12 of this chapter, the local government tax
 20 control board may recommend that a civil taxing unit receive any one
 21 (1) or more of the following types of relief:

22 (1) Permission to the civil taxing unit to reallocate the amount set
 23 aside as a property tax replacement credit as required by
 24 IC 6-3.5-1.1 for a purpose other than property tax relief. However,
 25 whenever this occurs, the local government tax control board
 26 shall also state the amount to be reallocated.

27 (2) Permission to the civil taxing unit to increase its levy in excess
 28 of the limitations established under section 3 of this chapter, if in
 29 the judgment of the local government tax control board the
 30 increase is reasonably necessary due to increased costs of the civil
 31 taxing unit resulting from annexation, consolidation, or other
 32 extensions of governmental services by the civil taxing unit to
 33 additional geographic areas or persons.

34 (3) Permission to the civil taxing unit to increase its levy in excess
 35 of the limitations established under section 3 of this chapter, if the
 36 local government tax control board finds that the civil taxing unit
 37 needs the increase to meet the civil taxing unit's share of the costs
 38 of operating a court established by statute enacted after December
 39 31, 1973. Before recommending such an increase, the local
 40 government tax control board shall consider all other revenues
 41 available to the civil taxing unit that could be applied for that
 42 purpose. The maximum aggregate levy increases that the local

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government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence. (4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and three-hundredths (1.03):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the civil taxing unit's total assessed value of all taxable property in the particular calendar year, divided by the civil taxing unit's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the total assessed value of all taxable property of all civil taxing units in the state in the particular calendar year, divided by the total assessed value of all taxable property of all civil taxing units in the state in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

In addition, before the local government tax control board may recommend the relief allowed under this subdivision, the civil taxing unit must show a need for the increased levy because of special circumstances, and the local government tax control board must consider other sources of revenue and other means of relief. (5) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for

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the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

(6) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

(7) Permission to increase its levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the township's poor relief ad valorem property tax rate is less than one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation; and

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(B) the township needs the increase to meet the costs of providing poor relief under IC 12-20 and IC 12-30-4.

The maximum increase that the board may recommend for a township is the levy that would result from an increase in the township's poor relief ad valorem property tax rate of one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(8) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(9) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand

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(7,000) but less than seven thousand three hundred (7,300);
and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(10) Permission for a county having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991. Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

(11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing

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1 fire protection for a township, or a portion of a township, enables
 2 the township to pay a fair and reasonable amount under a contract
 3 with the municipality that is furnishing the fire protection.
 4 However, for the first time an appeal is granted the resulting rate
 5 increase may not exceed fifty percent (50%) of the difference
 6 between the rate imposed for fire protection within the
 7 municipality that is providing the fire protection to the township
 8 and the township's rate. A township is required to appeal a second
 9 time for an increase under this subdivision if the township wants
 10 to further increase its rate. However, a township's rate may be
 11 increased to equal but may not exceed the rate that is used by the
 12 municipality. More than one (1) township served by the same
 13 municipality may use this appeal.

14 (12) Permission for a township to increase its levy in excess of the
 15 limitations established under section 3 of this chapter, if the local
 16 government tax control board finds that the township has been
 17 required, for the three (3) consecutive years preceding the year for
 18 which the appeal under this subdivision is to become effective, to
 19 borrow funds under IC 36-6-6-14 to furnish fire protection for the
 20 township or a part of the township. However, the maximum
 21 increase in a township's levy that may be allowed under this
 22 subdivision is the least of the amounts borrowed under
 23 IC 36-6-6-14 during the preceding three (3) calendar years. A
 24 township may elect to phase in an approved increase in its levy
 25 under this subdivision over a period not to exceed three (3) years.
 26 A particular township may appeal to increase its levy under this
 27 section not more frequently than every fourth calendar year.

28 (13) Permission to a city having a population of more than
 29 twenty-nine thousand (29,000) but less than thirty-one thousand
 30 (31,000) to increase its levy in excess of the limitations
 31 established under section 3 of this chapter if:

32 (A) an appeal was granted to the city under subdivision (1) in
 33 1998, 1999, and 2000; and

34 (B) the increase has been approved by the legislative body of
 35 the city, and the legislative body of the city has by resolution
 36 determined that the increase is necessary to pay normal
 37 operating expenses.

38 The maximum amount of the increase is equal to the amount of
 39 property tax replacement credits under IC 6-3.5-1.1 that the city
 40 petitioned to have reallocated in 2001 under subdivision (1) for
 41 a purpose other than property tax relief.

42 SECTION 22. IC 6-1.1-18.5-15, AS AMENDED BY P.L.90-2002,

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1 SECTION 170, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) The department of local
 3 government finance, upon receiving a recommendation made under
 4 section 13 or 14 of this chapter, shall enter an order adopting, rejecting,
 5 or adopting in part and rejecting in part the recommendation of the
 6 local government tax control board. ~~The decision of the department of~~
 7 ~~local government finance is final.~~

8 **(b) A civil taxing unit may petition for judicial review of the**
 9 **final determination of the department of local government finance**
 10 **under subsection (a). The action must be taken to the tax court**
 11 **under IC 6-1.1-15 in the same manner that an action is taken to**
 12 **appeal a final determination of the Indiana board. The petition**
 13 **must be filed in the tax court not more than forty-five (45) days**
 14 **after the department enters its order under subsection (a).**

15 SECTION 23. IC 6-1.1-19-7, AS AMENDED BY P.L.90-2002,
 16 SECTION 188, IS AMENDED TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2003]: Sec. 7. (a) Any recommendation that is
 18 to be made by the tax control board to the department of local
 19 government finance pursuant to any provision of this chapter shall be
 20 made at such a time as is prescribed in this chapter and, if no time for
 21 the making of such a recommendation is prescribed in this chapter,
 22 then the recommendation shall be made at such a time as will permit
 23 the department to complete those duties of the department that are
 24 defined in IC 6-1.1-17 within the time allowed by law for the
 25 completion of those duties, or such additional time as is reasonably
 26 necessary for the department and the tax control board to complete the
 27 duties provided by this chapter. No tax levy shall be invalid because of
 28 the failure of either the tax control board or the department of local
 29 government finance to complete its duties within the time or time limits
 30 provided by this chapter or any other law. Subject to the provisions of
 31 this chapter, the department of local government finance may accept,
 32 reject, or accept in part and reject in part any recommendation of the
 33 tax control board that is made to it under this chapter and may make
 34 any order that is consistent with the provisions of IC 6-1.1-17. The
 35 department of local government finance may not approve or authorize
 36 an excessive tax levy except in accordance with the provisions of this
 37 chapter.

38 **(b) A school corporation may petition for judicial review of the**
 39 **final determination of the department of local government finance**
 40 **under subsection (a). The petition must be filed in the tax court not**
 41 **more than forty-five (45) days after the department enters its order**
 42 **under subsection (a).**

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SECTION 24. IC 6-1.1-19-8, AS AMENDED BY P.L.90-2002, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) A school corporation ~~may not~~ **must request and obtain approval from the department of local government finance to** incur bond indebtedness, enter into a lease rental agreement, or repay from the debt service fund loans made for the purchase of school buses under IC 20-9.1-6-5: ~~unless the school corporation has first obtained the department of local government finance's approval of the lease rental agreement;~~

(1) not later than twenty-four (24) months after the first date of publication of notice of a preliminary determination under IC 6-1.1-20-3.1(2); and

(2) before the school corporation may:

(A) incur the bond issue or indebtedness;

(B) enter into the lease agreement; or

(C) repay the school bus purchase loan.

This restriction does not apply to ad valorem property taxes which a school corporation levies to pay or fund bond or lease rental indebtedness created or incurred before July 1, 1974.

(b) The department of local government finance may either approve, disapprove, or modify then approve a school corporation's proposed lease rental agreement, bond issue or school bus purchase loan. Before it approves or disapproves a proposed lease rental agreement, bond issue or school bus purchase loan, the department of local government finance may seek the recommendation of the tax control board. **A school corporation may petition for judicial review of the final determination of the department of local government finance under this subsection. The petition must be filed in the tax court not more than forty-five (45) days after the department enters its order under this subsection.**

(c) The department of local government finance shall render a decision not more than three (3) months after the date it receives a request for approval under subsection (a). However, the department of local government finance may extend this three (3) month period by an additional three (3) months if, at least ten (10) days before the end of the original three (3) month period, the department sends notice of the extension to the executive officer of the school corporation.

(d) After December 31, 1995, the department of local government finance may not approve a school corporation's proposed lease rental agreement or bond issue to finance the construction of additional classrooms unless the school corporation first:

(1) establishes that additional classroom space is necessary; and



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(2) conducts a feasibility study, holds public hearings, and hears public testimony on using a twelve (12) month school term (instead of the nine (9) month school term (as defined in IC 20-10.1-2-2)) rather than expanding classroom space.

(e) This section does not apply to school bus purchase loans made by a school corporation which will be repaid solely from the general fund of the school corporation.

SECTION 25. IC 6-1.1-20-6, AS AMENDED BY P.L.90-2002, SECTION 194, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) Upon receipt of a certified petition filed in the manner prescribed in section 5(b) of this chapter, the department of local government finance shall fix a time and place for a hearing on the matter. The department of local government finance shall hold the hearing not less than five (5) or more than thirty (30) days after the department receives the petition, and the department shall hold the hearing in the political subdivision or in the county where the political subdivision is located. At least five (5) days before the date fixed for the hearing, the department of local government finance shall give notice of the hearing, by mail, to the executive officer of the political subdivision and to the first ten (10) taxpayers who signed the petition. The mailings shall be addressed to the officer and the taxpayers at their usual place of residence.

(b) After the hearing required by this section, the department of local government finance may approve, disapprove, or reduce the amount of the proposed issue. The department of local government finance must render a decision not later than three (3) months after the hearing, and if no decision is rendered within that time, the issue is considered approved unless the department takes the extension provided for in this section. A three (3) month extension of the time period during which the decision must be rendered may be taken by the department of local government finance if the department by mail gives notice of the extension to the executive officer of the political subdivision and to the first ten (10) taxpayers who signed the petition, at least ten (10) days before the end of the original three (3) month period. If no decision is rendered within the extension period, the issue is considered approved. ~~The action taken by the department of local government finance on the proposed issue is final.~~

(c) A:

(1) taxpayer who signed a petition referred to in subsection (a); or

(2) political subdivision against which a petition referred to in subsection (a) is filed;

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1 may petition for judicial review of the final determination of the
 2 department of local government finance under subsection (b). The
 3 petition must be filed in the tax court not more than forty-five (45)
 4 days after the department renders its decision under subsection (b).

5 SECTION 26. IC 6-1.1-20.8-2.5, AS ADDED BY P.L.198-2001,
 6 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2003]: Sec. 2.5. (a) A person that desires to claim the credit
 8 provided by section 1 of this chapter shall file a certified application,
 9 on forms prescribed by the department of local government finance,
 10 with

11 (1) the auditor of the county where the property for which the
 12 credit is claimed was located on the assessment date. and

13 (2) the department of local government finance.

14 A person that timely files a personal property return under
 15 IC 6-1.1-3-7(a) for an assessment year must file the application
 16 between March 1 and May 15 of that year in order to obtain the credit
 17 in the following year. A person that obtains a filing extension under
 18 IC 6-1.1-3-7(b) for an assessment year must file the application
 19 between March 1 and the extended due date for that year in order to
 20 obtain the credit in the following year.

21 (b) A taxpayer shall include on an application filed under this
 22 section all information that the department of local government finance
 23 requires to determine eligibility for the credit provided under this
 24 chapter.

25 (c) Compliance with this chapter does not exempt a person from
 26 compliance with IC 4-4-6.1-2.5.

27 SECTION 27. IC 6-1.1-20.8-3, AS AMENDED BY P.L.198-2001,
 28 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2003]: Sec. 3. (a) The county auditor shall determine the
 30 eligibility of each applicant under this chapter and shall notify the
 31 applicant the department of local government finance, and the Indiana
 32 board of the determination before August 15 of the year in which the
 33 application is made. This notice must contain a statement that:

34 (1) the applicant is entitled to appeal a denial of eligibility; and

35 (2) the department of local government finance may, upon its own
 36 initiative, review the application and deny the credit.

37 (b) If the county auditor determines that an applicant is not eligible,
 38 the applicant may appeal for a review of the application by the Indiana
 39 board. An appeal is perfected by the filing of a written request for
 40 review with the Indiana board not later than thirty (30) days after the
 41 date on the county auditor's notice. The request must:

42 (1) state the name of the applicant;

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(2) identify the application; and

(3) state the reasons the applicant believes that the county auditor's decision is incorrect.

(c) The Indiana board shall review the application of any applicant who files an appeal under subsection (b). The Indiana board shall notify the applicant and the county auditor of the Indiana board's decision to allow or disallow the credit.

(d) The department of local government finance may review any application and if it finds that the applicant has been denied but is eligible or that the applicant is not eligible, the department shall notify the applicant and the county auditor of the department's decision to allow or disallow the credit.

(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (c), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

(f) If a person desires to initiate an appeal of the decision of the department of local government finance to disallow the credit under subsection (d), the person shall file a petition for review with the Indiana board not more than forty-five (45) days after the department gives the person notice of the decision.

(g) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (f), the person must petition for judicial review under IC 4-21.5-5 not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 28. IC 6-1.1-21.2-11, AS ADDED BY P.L.192-2002(ss), SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 11. (a) **By July 15 Not later than September 1** of a year **in which a general reassessment does not become effective**, the governing body shall estimate the tax increment replacement amount for each allocation area under the jurisdiction of the governing body for the next calendar year. **In a year in which a general reassessment becomes effective, the department of local government finance may extend the deadline under this subsection by giving written notice to the governing body before the deadline.**

(b) The tax increment replacement amount is the amount determined in STEP THREE of the following formula:

STEP ONE: The governing body shall estimate the amount of tax increment revenues it would receive in the next calendar year if the property tax replacement credits payable with respect to the



1 general fund levies imposed by all school corporations with
 2 jurisdiction in the allocation area were determined under
 3 IC 6-1.1-21 as in effect on January 1, 2001.

4 STEP TWO: The governing body shall estimate the amount of tax
 5 increment revenues it will receive in the next calendar year after
 6 implementation of the increase in the property tax credits payable
 7 under IC 6-1.1-21, as amended by the general assembly in 2002,
 8 with respect to general fund levies imposed by all school
 9 corporations with jurisdiction in the allocation area.

10 STEP THREE: Subtract the STEP TWO amount from the STEP
 11 ONE amount.

12 SECTION 29. IC 6-1.1-21.2-14, AS ADDED BY P.L.192-2002(ss),
 13 SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2003]: Sec. 14. (a) The department of local government
 15 finance shall approve an appeal filed under section 13 of this chapter
 16 if the department determines that:

17 (1) the governing body's estimate of the tax replacement amount
 18 under section 11 of this chapter is reasonable;

19 (2) a tax levy in excess of the amount determined under section
 20 12(d) of this chapter would:

21 (A) create a significant financial hardship on taxpayers
 22 residing in the district in which the governing body exercises
 23 jurisdiction;

24 (B) significantly reduce the benefits from the increase in the
 25 property tax credits payable under IC 6-1.1-21, as amended by
 26 the general assembly in 2002, with respect to general fund
 27 levies imposed by all school corporations with jurisdiction in
 28 the district; or

29 (C) have a disproportionate impact on small businesses or low
 30 income families or individuals; and

31 (3) the governing body has made reasonable efforts to limit its use
 32 of the special fund for the allocation area to appropriations for
 33 payments of:

34 (A) the principal and interest on loans or bonds;

35 (B) lease rentals on leases;

36 (C) amounts due on other contractual obligations; and

37 (D) additional credits described in IC 8-22-3.5-10(a),
 38 IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5),
 39 IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or
 40 IC 36-7-30-25(b)(2)(E).

41 (b) **In a year in which a general reassessment does not become**
 42 **effective**, the department of local government finance shall make a

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1 final determination on an appeal filed under this section by ~~November~~
 2 **December 1 of a the year. In a year in which a general reassessment**
 3 **becomes effective, the department may extend the deadline under**
 4 **this subsection by giving written notice to the appellant before the**
 5 **deadline.**

6 (c) If the department approves an appeal filed under this section, it
 7 shall order a distribution from the property tax replacement fund in the
 8 amount determined under section 13(b) of this chapter in the same
 9 manner as distributions are made under IC 6-1.1-21-4.

10 (d) If the department denies an appeal filed under section 13 of this
 11 chapter, or does not grant the maximum permissible distribution under
 12 section 13(b) of this chapter, the legislative body of the unit that
 13 established the district may increase the levy imposed under this
 14 chapter to an amount that, when combined with any distribution
 15 received under this chapter, does not exceed the tax increment
 16 replacement amount.

17 SECTION 30. IC 6-1.1-26-2, AS AMENDED BY P.L.178-2002,
 18 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2003]: Sec. 2. (a) The county auditor shall forward a claim for
 20 refund filed under section 1 of this chapter to the department of local
 21 government finance for review by the department if:

22 (1) the claim is for the refund of taxes paid on an assessment
 23 made or determined by the state board of tax commissioners
 24 (before the board was abolished) or the department of local
 25 government finance; and

26 (2) the claim is based upon the grounds specified in ~~section~~
 27 ~~1(4)(ii)~~ **section 1(4)(B)** or ~~1(4)(iii)~~ **1(4)(C)** of this chapter.

28 (b) The department of local government finance shall review each
 29 refund claim forwarded to it under this section. The department shall
 30 certify its approval or disapproval on the claim and shall return the
 31 claim to the county auditor.

32 (c) Before the department of local government finance disapproves
 33 a refund claim that is forwarded to it under this section, the department
 34 shall notify the claimant of its intention to disapprove the claim and of
 35 the time and place fixed for a hearing on the claim. The department
 36 shall hold the hearing within thirty (30) days after the date of the
 37 notice. The claimant has a right to be heard at the hearing. After the
 38 hearing, the department shall give the claimant notice of the
 39 department's final determination on the claim.

40 (d) If a person desires to initiate an appeal of the final determination
 41 of the department of local government finance to disapprove a claim
 42 under subsection (c), the person shall file a petition for review with the

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appropriate county assessor not more than forty-five (45) days after the department gives the person notice of the final determination.

(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under subsection (d), the person must petition for judicial review ~~under IC 4-21.5-5~~ not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 31. IC 6-1.1-26-3, AS AMENDED BY P.L.198-2001, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) A refund claim which is filed under section 1 of this chapter and which is not subject to review by the department of local government finance under section 2 of this chapter shall be either approved or disapproved by the county auditor, the county treasurer, and the county assessor.

(b) If the claim for refund is disapproved by either the county auditor, the county treasurer, or the county assessor, the claimant may appeal that decision to the Indiana board. The claimant must initiate the appeal and the Indiana board shall hear the appeal in the same manner that assessment appeals are heard by the Indiana board.

(c) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under this section, the person must petition for judicial review ~~under IC 4-21.5-5~~ not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 32. IC 6-1.1-26-4, AS AMENDED BY P.L.198-2001, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) A county auditor shall submit a refund claim filed under section 1 of this chapter to the county board of commissioners for final review after the appropriate county officials either approve or disapprove the claim and, if the claim is disapproved, an appeal to the Indiana board is not initiated under section 3 of this chapter.

(b) The county board of commissioners shall disallow a refund claim if it was disapproved by one (1) of the appropriate county officials and an appeal to the Indiana board was not initiated under section 3 of this chapter.

(c) Except as provided in subsection (b) ~~of this section~~, the county board of commissioners may either allow or disallow a refund claim which is submitted to it for final review. If the county board disallows a claim, the claimant may appeal that decision to the Indiana board.

(d) The Indiana board shall hear an appeal under subsection (c) in the same manner that assessment appeals are heard.



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(e) If a person desires to initiate a proceeding for judicial review of the Indiana board's final determination under this section, the person must petition for judicial review under ~~IC 4-21.5-5~~ **IC 6-1.1-15** not more than forty-five (45) days after the Indiana board gives the person notice of the final determination.

SECTION 33. IC 6-1.1-33.5-3, AS AMENDED BY P.L.192-2002(ss), SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. The division of data analysis shall:

(1) conduct continuing studies in the areas in which the department of local government finance operates;

(2) make periodic field surveys and audits of:

(A) tax rolls;

(B) plat books;

(C) building permits;

(D) real estate transfers; ~~federal income tax returns~~; and

(E) other data that may be useful in checking property valuations or taxpayer returns;

(3) make test checks of property valuations to serve as the bases for special reassessments under this article;

(4) conduct biennially a coefficient of dispersion study for each township and county in Indiana;

(5) conduct quadrennially a sales assessment ratio study for each township and county in Indiana;

(6) compute school assessment ratios under IC 6-1.1-34; and

(7) report annually to the executive director of the legislative services agency, in a form prescribed by the legislative services agency, the information obtained or determined under this section for use by the executive director and the general assembly, including:

(A) all information obtained by the division of data analysis from units of local government; and

(B) all information included in:

(i) the local government data base; and

(ii) any other data compiled by the division of data analysis.

SECTION 34. IC 6-1.1-35.2-2, AS AMENDED BY P.L.177-2002, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) In any year in which an assessing official or a county assessor takes office for the first time, the department of local government finance shall conduct training sessions determined under the rules adopted by the department under IC 4-22-2 for these new assessing officials and county assessors. These sessions must be held



at the locations described in subsection (b).

(b) To ensure that all newly elected or appointed assessing officials and assessors have an opportunity to attend the training sessions required by this section, the department of local government finance shall conduct the training sessions at a minimum of four (4) separate regional locations. The department shall determine the locations of the training sessions, but:

- (1) at least one (1) training session must be held in the northeastern part of Indiana;
- (2) at least one (1) training session must be held in the northwestern part of Indiana;
- (3) at least one (1) training session must be held in the southeastern part of Indiana; and
- (4) at least one (1) training session must be held in the southwestern part of Indiana.

The four (4) regional training sessions may not be held in Indianapolis. However, the department of local government finance may, after the conclusion of the four (4) training sessions, provide additional training sessions at locations determined by the department.

(c) Any new assessing official or county assessor who attends:

- (1) a required session **during the official's or assessor's term of office; or**
- (2) **training between the date the person is elected to office and January 1 of the year the person takes office for the first time;**

is entitled to receive the per diem per session set by the department of local government finance by rule adopted under IC 4-22-2 and a mileage allowance from the county in which the official resides.

(d) A person is entitled to a mileage allowance under this section only for travel between the person's place of work and the training session nearest to the person's place of work.

(e) **For training between the date a person is elected to office and January 1 of the year the person takes office for the first time:**

- (1) **the department of local government finance may approve the per diem per session; and**
- (2) **the county in which the person resides may approve the mileage allowance;**

referred to in subsection (c):

SECTION 35. IC 6-1.1-41-9, AS AMENDED BY P.L.90-2002, SECTION 280, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) After a hearing upon a proposal, the department of local government finance shall certify



approval, disapproval, or modification of the proposal to the county auditor. ~~The action of the department of local government finance with respect to the proposed levy is final and conclusive.~~

(b) A:

(1) taxpayer who signed a petition filed under section 6 of this chapter; or

(2) political subdivision against which a petition under section 6 of this chapter is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). **The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (a).**

SECTION 36. IC 6-1.5-4-1, AS ADDED BY P.L.198-2001, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The Indiana board shall conduct an impartial review of all appeals concerning:

(1) the assessed valuation of tangible property;

(2) property tax deductions; **or**

(3) property tax exemptions; **or**

~~(4) property tax credits;~~

that are made from a determination by an assessing official or a county property tax assessment board of appeals to the Indiana board under any law.

(b) Appeals described in this section shall be conducted under IC 6-1.1-15.

SECTION 37. IC 6-1.5-5-1, AS AMENDED BY P.L.178-2002, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) The Indiana board shall conduct impartial review of all appeals of final determinations of the department of local government finance made under the following:

(1) IC 6-1.1-8.

~~(2) IC 6-1.1-12.1.~~

~~(3) IC 6-1.1-14.~~

(2) IC 6-1.1-14-11.

~~(4) (3) IC 6-1.1-16.~~

~~(5) (4) IC 6-1.1-26-2.~~

(b) Each notice of final determination issued by the department of local government finance under a statute listed in subsection (a) must give the taxpayer notice of:

(1) the opportunity for review under this section; and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

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(c) Except as provided in ~~subsections~~ **subsection (e), and (f)**, in order to obtain a review by the Indiana board under this section, the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the department of local government finance's action is given to the taxpayer.

(d) The county assessor shall transmit a petition for review under subsection (c) to the Indiana board within ten (10) days after it is filed.

(e) In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under IC 6-1.1-8-30, the public utility company must follow the procedures in IC 6-1.1-8-30.

(f) In order to obtain a review by the Indiana board of an appeal of a final determination of the department of local government finance under ~~IC 6-1.1-12.1-5.7(h)~~, **IC 6-1.1-12.1-5.4(h)**, the person must follow the procedures in ~~IC 6-1.1-12.1-5.7(h)~~; **IC 6-1.1-12.1-5.4(h)**.

SECTION 38. IC 8-16-3.5-8, AS AMENDED BY P.L.90-2002, SECTION 325, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) When the lessor corporation and the county have agreed upon the terms and conditions of any lease proposed to be entered into under this chapter and before the final execution of the lease, a notice must be published in accordance with IC 5-3-1 of a hearing before the county executive. The notice must name the day, place, and hour of the hearing and must set forth a brief summary of the principal terms of the lease agreed upon, including the location, name of the proposed lessor corporation and character of the bridge to be leased, the rental to be paid, and the number of years the contract is to be in effect. The proposed lease, drawings, plans, specifications, and estimates for the bridge shall be available for inspection by the public during the ten (10) day period and at the meeting. All interested persons shall have a right to be heard at the time fixed, concerning the necessity for the execution of the lease and whether the rental to the lessor corporation is a fair and reasonable rental for the proposed bridge. The hearing may be adjourned to a later date, and following the hearing the county executive may either authorize the execution of the lease as originally agreed upon or may make modifications as agreed upon with the lessor corporation. However, the lease rentals as set out in the published notice may not be increased. The cost of the publication of the notice shall be borne by lessor corporations.

(b) If the execution of the lease as originally agreed upon, or as modified by agreement, is authorized by the county executive, it shall give notice of the execution of the contract by publication in

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1 accordance with IC 5-3-1. Ten (10) or more taxpayers in the lessee
 2 county affected by the proposed lease may file a petition in the office
 3 of the county auditor of the lessee county, within thirty (30) days after
 4 publication of notice of the execution of the lease, setting forth their
 5 objections and facts showing that the execution of the lease is
 6 unnecessary or unwise, or that the lease rental is not fair and
 7 reasonable. Upon the filing of any petition, the county auditor shall
 8 certify a copy, together with any other data as may be necessary in
 9 order to present the questions involved, to the department of local
 10 government finance and upon the receipt of the certified petition and
 11 information, the department of local government finance shall fix a
 12 time and place for the hearing in the county not less than five (5) or
 13 more than thirty (30) days after receipt of the petition. Notice of the
 14 hearing shall be given by the department of local government finance
 15 to the county commissioners of the lessee county, and to the first ten
 16 (10) taxpayer-petitioners appearing on the petition by a letter signed by
 17 one (1) member of the department of local government finance, and
 18 enclosed with full prepaid postage addressed to those persons at their
 19 usual place of residence, at least five (5) days before the date of the
 20 hearing. ~~The decision of the department of local government finance~~
 21 ~~of the appeal, upon the necessity for the execution of said lease and as~~
 22 ~~to whether the rental is fair and reasonable; is final. A:~~

23 **(1) taxpayer who signed the petition; or**

24 **(2) political subdivision against which a petition is filed;**
 25 **may petition for judicial review of the final determination of the**
 26 **department of local government finance under this subsection. The**
 27 **petition must be filed in the tax court not more than forty-five (45)**
 28 **days after the date of the department's final determination.**

29 (c) No action to contest the validity of the lease or to enjoin the
 30 performance of any of the terms and conditions of the lease shall be
 31 instituted at any time later than thirty (30) days after publication of
 32 notice of the execution of the lease by the county executive or if an
 33 appeal has been taken to the department of local government finance,
 34 then within thirty (30) days after the decision of the department.

35 SECTION 39. IC 16-22-5-11, AS AMENDED BY P.L.90-2002,
 36 SECTION 385, IS AMENDED TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2003]: Sec. 11. **(a)** After the hearing, the
 38 department of local government finance shall approve, disapprove, or
 39 modify the proposal and certify the department's action to the auditor
 40 of the county. ~~The action of the department of local government~~
 41 ~~finance is final.~~

42 **(b) A:**



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1 **(1) taxpayer who signed a petition filed under section 8 of this**
 2 **chapter; or**

3 **(2) county against which a petition under section 8 of this**
 4 **chapter is filed;**

5 **may petition for judicial review of the final determination of the**
 6 **department of local government finance under subsection (a). The**
 7 **petition must be filed in the tax court not more than forty-five (45)**
 8 **days after the department's action under subsection (a).**

9 SECTION 40. IC 20-14-13-9, AS AMENDED BY P.L.90-2002,
 10 SECTION 415, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2003]: Sec. 9. **(a)** After a hearing upon the
 12 petition under section 8 of this chapter, the department of local
 13 government finance shall certify its approval, disapproval, or
 14 modification of the plan to the library board and the auditor of the
 15 county. ~~The action of the department of local government finance with~~
 16 ~~respect to the plan is final.~~

17 **(b) A:**

18 **(1) taxpayer who signed a petition filed under section 7 of this**
 19 **chapter; or**

20 **(2) library district against which a petition under section 7 of**
 21 **this chapter is filed;**

22 **may petition for judicial review of the final determination of the**
 23 **department of local government finance under subsection (a). The**
 24 **petition must be filed in the tax court not more than forty-five (45)**
 25 **days after the department certifies its action under subsection (a).**

26 SECTION 41. IC 21-2-15-8, AS AMENDED BY P.L.90-2002,
 27 SECTION 445, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2003]: Sec. 8. **(a)** After a hearing upon the
 29 petition under section 7 of this chapter, the department of local
 30 government finance shall certify its approval, disapproval, or
 31 modification of the plan to the governing body and the auditor of the
 32 county. The department of local government finance may seek the
 33 recommendation of the school property tax control board with respect
 34 to this determination. ~~The action of the department of local government~~
 35 ~~finance with respect to the plan is final.~~

36 **(b) A governing body may petition for judicial review of the**
 37 **final determination of the department of local government finance**
 38 **under this subsection. The petition must be filed in the tax court**
 39 **not more than forty-five (45) days after the department certifies its**
 40 **action under subsection (a).**

41 SECTION 42. IC 36-6-6-14.5, AS AMENDED BY P.L.90-2002,
 42 SECTION 472, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2003]: Sec. 14.5. (a) If the legislative body issues a special order under section 14 of this chapter authorizing the executive to borrow money, not less than ten (10) taxpayers in the township who disagree with the special order may file a petition in the office of the county auditor not more than thirty (30) days after notice of the special order is given. The petition must state the taxpayers' objections and the reasons why the taxpayers believe the special order to be unnecessary or unwise.

(b) The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and other data, the department of local government finance shall fix a time and place for the hearing of the matter. The hearing shall be held not less than five (5) and not more than thirty (30) days after the receipt of the certified documents.

(c) The hearing shall be held in the county where the petition arose.

(d) Notice of the hearing shall be given by the department of local government finance to the township and to the first ten (10) taxpayer petitioners listed on the petition by letter. The letter shall be sent to the first ten (10) taxpayer petitioners at the taxpayer's usual place of residence at least five (5) days before the date of the hearing. ~~The decision by the department of local government finance on the objections presented in the petition is final.~~

(e) A:

(1) taxpayer who signed a petition filed under subsection (a);

or

(2) township against which a petition under subsection (a) is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the date of the department's final determination.

SECTION 43. IC 36-8-13-6.5, AS AMENDED BY P.L.90-2002, SECTION 498, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6.5. (a) If the executive and the legislative body determine that money should be borrowed under section 6 of this chapter, not less than ten (10) taxpayers in the township who disagree with the determination may file a petition in the office of the county auditor not more than thirty (30) days after notice of the determination is given. The petition must state the taxpayers' objections and the reasons why the taxpayers believe the borrowing to be unnecessary or unwise.

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(b) The county auditor shall immediately certify a copy of the petition, together with other data necessary to present the questions involved, to the department of local government finance. Upon receipt of the certified petition and other data, the department of local government finance shall fix a time and place for the hearing of the matter. The hearing shall be held not less than five (5) and not more than thirty (30) days after the receipt of the certified documents.

(c) The hearing shall be held in the county where the petition arose.

(d) Notice of the hearing shall be given by the department of local government finance to the township and to the first ten (10) taxpayer petitioners listed on the petition by letter. The letter shall be sent to the first ten (10) taxpayer petitioners at the taxpayer's usual place of residence at least five (5) days before the date of the hearing. ~~The decision by the department of local government finance on the objections presented in the petition is final.~~

(e) A:

(1) taxpayer who signed a petition filed under subsection (a);
or

(2) township against which a petition under subsection (a) is filed;

may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the date of the department's final determination.

SECTION 44. IC 36-8-19-8.5, AS AMENDED BY P.L.90-2002, SECTION 500, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8.5. (a) Participating units may agree to establish an equipment replacement fund under this section to be used to purchase fire protection equipment, including housing, that will be used to serve the entire territory. To establish the fund, the legislative bodies of all participating units must adopt identical ordinances after January 1 but before April 1 authorizing the provider unit to establish the fund. The ordinance must include at least the following:

(1) The name of each participating unit and the provider unit.

(2) An agreement to impose a uniform tax rate upon all of the taxable property within the territory for the equipment replacement fund.

(3) The contents of the agreement to establish the fund.

An ordinance adopted under this section takes effect July 1 of the year the ordinance is adopted.

(b) If a fund is established, the participating units may agree to:

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1 (1) impose a property tax to provide for the accumulation of
 2 money in the fund to purchase fire protection equipment;
 3 (2) incur debt to purchase fire protection equipment and impose
 4 a property tax to retire the loan; or
 5 (3) transfer an amount from the fire protection territory fund to
 6 the fire equipment replacement fund not to exceed five percent
 7 (5%) of the levy for the fire protection territory fund for that year;
 8 or any combination of these options. The property tax rate for the levy
 9 imposed under this section may not exceed **ten three and thirty-three**
 10 **hundredths cents (\$0.10): (\$0.0333) per one hundred dollars (\$100)**
 11 **of assessed value.** Before debt may be incurred, the fiscal bodies of all
 12 participating units must adopt identical ordinances specifying the
 13 amount and purpose of the debt. In addition, the department of local
 14 government finance must approve the incurrence of the debt using the
 15 same standards as applied to the incurrence of debt by civil taxing
 16 units.

17 (c) Money in the fund may be used by the provider unit only for
 18 those purposes set forth in the agreement among the participating units
 19 that permits the establishment of the fund.

20 SECTION 45. IC 36-9-16-4, AS AMENDED BY P.L.90-2002,
 21 SECTION 512, IS AMENDED TO READ AS FOLLOWS
 22 [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) A cumulative building fund
 23 or cumulative capital improvement fund may be established by a
 24 resolution that is:

25 (1) adopted by the unit's legislative body; and

26 (2) approved by the department of local government finance.

27 (b) Notice of the proposed levy to provide money for the cumulative
 28 building fund or cumulative capital improvement fund shall be given
 29 to all taxpayers in the unit before the proposed action is presented to
 30 the department of local government finance for approval. Notice shall
 31 be given by publication of the proposal in accordance with IC 5-3-1.

32 (c) If, after the public hearing, the proposed action is submitted for
 33 approval to the department of local government finance, the department
 34 shall require notice of that submission to be given to the taxing district
 35 involved in the manner prescribed by subsection (b).

36 (d) Fifty (50) or more taxpayers in the taxing district who will be
 37 affected by the tax rate may, not later than ten (10) days after the
 38 publication of the notice, file with the county auditor a petition setting
 39 forth their objections to the proposed levy. The county auditor shall
 40 immediately certify the petition to the department of local government
 41 finance, which, within a reasonable time, shall fix a date for a hearing
 42 on the petition. The hearing shall be held in the county in which the



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unit is located. Notice of the hearing shall be given to the executive of the unit and to the first ten (10) taxpayers whose names appear upon the petition, by a letter signed by the commissioner or deputy commissioner of the department of local government finance and sent by mail to the executive and the taxpayers at their usual place of residence at least five (5) days before the date fixed for the hearing.

(e) After a hearing upon the proposal, the department of local government finance shall certify its approval, disapproval, or modification of the proposed tax levy to the auditor of the county in which the unit is located. ~~The action of the department of local government finance with respect to the proposed levy is final and conclusive.~~

(f) A:

(1) taxpayer who signed a petition filed under subsection (d);
or

(2) unit against which a petition under subsection (d) is filed; may petition for judicial review of the final determination of the department of local government finance under subsection (a). The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (e).

SECTION 46. [EFFECTIVE JULY 1, 2003] (a) This SECTION applies to a certified statement sent by the county auditor in 2001 that complied with IC 6-1.1-17-1, except that the statement was sent after August 1, 2001.

(b) A certified statement described in subsection (a) has the same legal effect as if the statement had been sent before August 2, 2001.

(c) This SECTION expires January 1, 2004.

SECTION 47. [EFFECTIVE JULY 1, 2003] (a) The following, all as amended by this act, apply only to property taxes first due and payable after December 31, 2004;

(1) IC 6-1.1-12.1-4.5.

(2) IC 6-1.1-12.1-4.6.

(3) IC 6-1.1-12.1-5.4.

(4) IC 6-1.1-12.1-5.8.

(5) IC 6-1.1-12.1-5.9.

(6) IC 6-1.1-18.5-13.

(7) IC 36-8-19-8.5.

(b) This SECTION expires January 1, 2006.

SECTION 48. [EFFECTIVE JULY 1, 2003] (a) IC 6-1.1-18.5-8 and IC 6-1.1-19-8, both as amended by this act, apply only to bonds and leases for which the first date of publication under

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- 1 **IC 6-1.1-20-3.1(2) of notice of a preliminary determination is after**
- 2 **June 30, 2003.**
- 3 **(b) This SECTION expires January 1, 2004.**

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